

International

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World Wide Growth

Technology eases the path to international expansion

Technology is critical today to finding, signing, starting up, and growing your international franchise network. Technology can also save a U.S. franchisor money, help grow international units faster, and help preserve your brand across the world. Today, your international franchisees may be in time zones 12-plus hours—a full half-day—away from you. If you master franchise your brand outside the U.S., the most important thing to remember is that your international masters are both franchisees and franchisors.

The really good news is that, thanks to the Internet, most U.S. franchisors already have many technology tools developed and in place that are directly applicable to international development. This helps lower the cost of international development, training, support, and brand control.

1) Your intranet.

U.S. franchises are almost forced to have good intranet resources to compete in the domestic marketplace. Your intranet provides franchisees with the latest manuals, operating systems, marketing, training, and best practices for your franchise. It is available 24/7/365. This

is the most cost-effective and focused tool a franchisor has to provide information to international franchisees and to focus them on only what the franchisor wants them to use. Your intranet is one of the most important tools international franchisees pay for.

In addition to being able to post documents on your intranet for franchisees around the world to view and download, services such as DropBox, Box, and YouSendIt allow a franchisor to cost-effectively, quickly, and securely share information around the world without time zone constraints.

Perhaps the biggest benefit of the franchisor intranet is online training that is accessible to the international franchisees and their employees. Video training programs can be dubbed in different languages or simplified so that images convey the standards required to conduct the franchise business properly.

2) POS and web-based franchise management systems. Increasingly, franchise POS systems are web-based. This allows (or requires) the international franchisee to use systems that provide a franchisor almost instant access to the daily operations of a store, restaurant, or office. Deviations from the standard revenue, expense, and operating parameters are seen in the home country and can be quickly corrected by phone calls or emails.

Many U.S. franchisors have taken this to a higher level by running their local unit businesses through comprehensive web-based management systems. Inventory is often part of this system. Reporting is key across many financial and operational factors. These are all tools that help grow international units faster and better. While some interfacing and localization is often required, the local franchisee must conform to the U.S. franchisor's standards to maintain their franchise and to realize the margins possible. The emergence of detailed dashboard systems in the U.S. that keep track of many financial and operational parameters at the unit franchise level has given a key tool to both franchisor and franchisees. Franchisors can see the "real time" activity of unit franchisees on a global basis.

One of the most important aspects of web-based management and reporting is the elimination of the local international franchisee saying their country's business standards do not allow them to report often and consistently.

3) Development. The emergence of web-based CRM and lead management systems in the U.S. has provided another global tool for fran-



chisors to offer their franchisees in other countries. The systems used in the U.S. are state-of-the-art, help local franchisees, and allow the franchisor to monitor activity and progress in growing the number of units in a country. These systems also keep the franchisee's customer base in a franchisor-controlled database.

Finding, approving, and building out a franchise location 10,000 miles and 12 time zones away sounds daunting. But using online site selection forms and CAD tools, it is now possible for franchisors to get photos, site analysis, and details by email or through their intranet. This allows the franchisor to better control their units worldwide as well as provide the franchisee with a great service as part of their fees and royalties.

4) Your website. It has proven critical that the franchisor controls the web presence of their brand and its units. This means a franchisor should own and control the content of *all* websites worldwide that are associated with its business.

Franchisor-owned and managed websites are, in fact, a huge benefit for the unit, area, and master franchisees worldwide. The franchisor controls the content, allowing the units to make certain changes to reflect local needs. When the franchisor has all websites on its servers, this creates consistency in branding—as well as saving the unit, area, and master franchisee considerable costs. It must be noted, however, that a few countries dictate local control of websites and content.

5) Global marketing. One of the most requested support items from international franchisees is marketing help to establish the new brand and grow its customer base in the new country. Today there are many ways for franchisors to accomplish this cost-effectively. Typically, marketing materials that can be

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downloaded, sized, and printed or used in web-based marketing are available on the franchisor's intranet.

Franchisor-developed social networking is a huge tool for the local franchisee. Although the U.S. is the leading Facebook user by population (163 million users), the accompanying chart indicates that selected franchise-friendly countries are also big users.

These are very important numbers

today when franchising, both at home and around the world. Facebook users tend to be middle to upper class, have considerable discretionary income, are tech-savvy, and like to shop brands. So U.S. franchisors that make good use of Facebook and other social media sites already have an excellent tool to provide their international franchisees.

6) Monitoring the international franchisee—support, analysis, control. Major challenges with international franchising include training, support, and monitoring sales and growth. Today's Internet-based tools mentioned above are usually already in place for U.S. franchise growth and often need little fine-tuning for other countries. Hence, the franchisor can leverage what they have already created for their domestic franchisees.

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While it is essential to visit U.S. and international franchisees often—at least twice a year is suggested—today support can be provided in almost “real time” by monitoring unit results through the web-based programs that are also used by U.S. franchisees. ■

William Edwards, with 40 years of international business experience, has lived in 7 countries and worked on projects in more than 60. In addition to having been a master licensee in 5 countries and in charge of international operations and development for a U.S. franchise, he has advised more than 50 U.S. companies on their international development. Contact him at 949-224-3896, see his blog at <http://edwardsglobal.com/blog/>, or visit www.egs-intl.com.

Country	Facebook Users	% Population
USA	163 million	53%
Brazil	67 million	33%
India	63 million	5%
Indonesia	47 million	19%
Mexico	40 million	36%
Turkey	32 million	42%
U.K.	32 million	52%
Philippines	30 million	30%
France	25 million	39%
Germany	25 million	31%
Canada	18 million	53%
Australia	12 million	54%
Chile	10 million	57%
UAE	3 million	68%

Source: Sociabakers website